

DOWNER, HAMMOND & WILHITE, L.L.C.

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OF COUNSEL

August 5, 2003

Mr. James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

RE: APPLICATION FOR PUBLIC HEARING

Approval of an alternate unit well for SMK B RA SUA, Smackover B Formation, Reservoir A, Antioch Field, Claiborne Parish, Louisiana. (Our File No. 03-0248).

Dear Sir:

TELLUS OPERATING GROUP, L.L.C. ("Applicant"), applies for a public hearing to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Smackover B Formation, Reservoir A, in the Antioch Field, Claiborne Parish, Louisiana:

1. To permit Applicant to complete, designate and utilize the Tellus Operating Group, L.L.C.'s - Washington No. 3 Well, located as shown on the attached plat, as an alternate unit well for SMK B RA SUA.
2. To permit the Operator of SMK B RA SUA to produce the allowable assigned to this unit from either the unit well, the alternate unit well, or from any combination of such wells, at the option of the Operator.
3. To find that the proposed alternate unit well for SMK B RA SUA, is necessary to efficiently and economically drain a portion of the Smackover B Formation underlying SMK B RA SUA which cannot be efficiently and economically drained by any existing well on this unit.
4. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Smackover B Formation, Reservoir A, in the Antioch Field, Claiborne Parish, Louisiana is fully defined in Office of Conservation Order No. 344-E-1, effective January 26, 2001.

Pertinent data regarding this application will be made available for inspection at the offices of TELLUS Operating Group, L.L.C., 4780 I-55 North, Suite 400, Jackson, Mississippi

39211. Any person wishing to inspect such data should call Mr. Kevin Macumber at (601) 969-1122 during normal business hours or write Mr. Kevin Macumber at the above address in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the Office of Conservation can be obtained at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and address of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of the unit plat is enclosed herewith, and a copy of this letter and of the attached plat is being sent to the District Manager of the Shreveport district of the Office of Conservation and to each of the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plat at a prominent place in the area affected and will cause the Legal Notice to be published in a newspaper published in the general area of the Antioch Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice.

A check in the amount of \$631.00 payable to the Office of Conservation and covering the application fee is enclosed.

Yours very truly,

DOWNER, HAMMOND & WILHITE, L.L.C.

By:



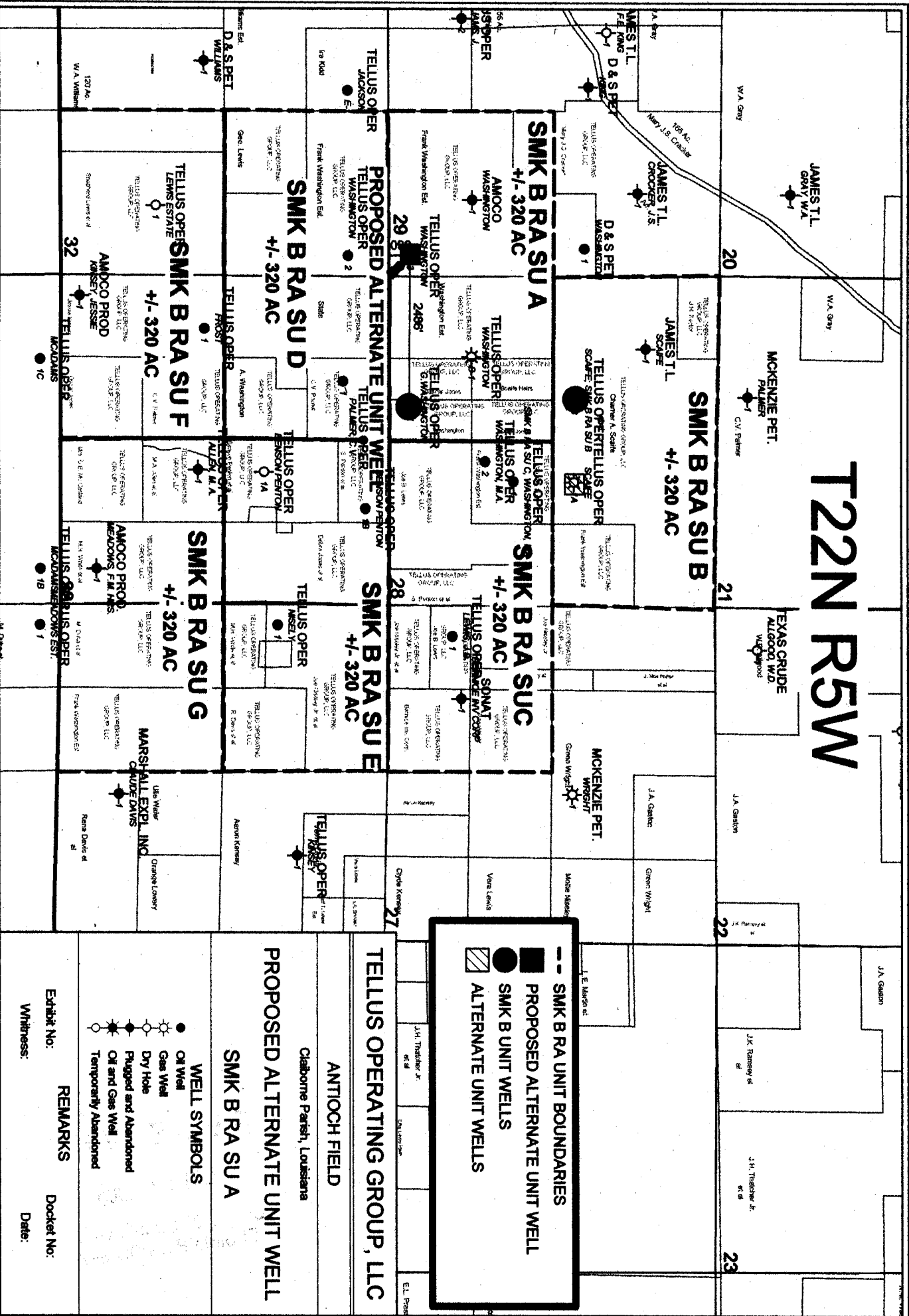
Philip E. Downer, III

ATTORNEYS FOR --
TELLUS OPERATING GROUP, L.L.C.

PEDIII/rlc
Enclosures

cc: Mr. Jim Broussard, Shreveport District Manager
Office of Conservation (w/enclosures)
Mr. Kevin Macumber (w/enclosures)
Interested Owners, Represented Parties and
Interested Parties (w/ plat only)

T22N R5W



SMK B RA UNIT BOUNDARIES

■

PROPOSED ALTERNATE UNIT WELL

●

SMK B UNIT WELLS

▨

ALTERNATE UNIT WELLS

TELLUS OPERATING GROUP, LLC

ANTOCH FIELD

Cadbourne Parish, Louisiana

PROPOSED ALTERNATE UNIT WELL

SMK B RA SU A

- WELL SYMBOLS**
- Oil Well
 - ☀ Gas Well
 - Dry Hole
 - ⊗ Plugged and Abandoned
 - ⊙ Oil and Gas Well
 - ⊖ Temporarily Abandoned

REMARKS

Exhibit No. _____

Docket No. _____

Witness: _____

Date: _____